

U.S. Intellectual Property Law and Policy



Jennie Ness
Regional IP Attaché
U.S. Commercial Service





Why protect IP?

- Intellectual property rights create incentives for individuals and businesses to invest in research and development, and to disclose and commercialize inventions and other creations by allowing them to profit from their innovative activities.
- Well-defined and enforced IP rights are an important element of the US economy and can contribute to the economic growth of all countries.
- IP is the driver of the “new” economy.



U.S. Constitution (1787)

- Article 1, Section 8, Clause 8
- “Congress shall have Power . . . To promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.”





IP & the Economy

- Intellectual property accounts for approx. 47% of the value of US corporations.
- US IP is worth more than \$5 trillion.
- IP-based industries represent one-fifth of US private economic activity.
- The IP-based industries are growing faster and pay higher wages than other industries.

2006 Economic Report of the President



Copyright & the Economy

In 2005, the U.S. copyright industries:

- Accounted for an estimated 6.56% of the U.S. Gross Domestic Product;
- Grows at a rate nearly double of that of rest of the economy;
- Employed 4.03% of U.S. workers.

Figures according to Copyright Industries in the U.S. Economy: the 2006 Report available at http://www.iipa.com/pdf/2006_siwek_full.pdf



IP & the Economy

Counterfeiting and piracy cost the U.S. economy between \$200 and \$250 billion a year and the world economy nearly \$650 billion a year.



Administration of IP Laws

- United States Patent and Trademark Office
- www.USPTO.gov
- United States Copyright Office
- www.COPYRIGHT.gov
- STOP Initiative
- www.STOPFAKES.gov
- (866) 999-HALT





Hierarchy of IP Authority

- Constitution (e.g. Article 1, Section 8)
- Statutes (e.g. 35 U.S.C. 103)
- Regulations (e.g. 37 CFR § 1.131)
- Case Law
 - interpretation of statutory authority
 - precedential body of law
- Manual of Patent Examination Practice and Trademark Manual of Examination Practice



Patents

- U.S. Constitution-Article 1, Sect. 8, Clause 8-
 - “Congress shall have the power to promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.”
- Washington signed first patent law in 1790.
- Thomas Jefferson, first Secretary Of State, responsible for examining and issuing first patents.
- Since then over 7 million U.S. patents issued



Patent Acts

- 1790 - First patent statute
- 1793 - Second patent act; registration system that lasted until 1836
- 1836 - Patent statute (created "Patent Office")
- 1952 - Patent Act (codified "obviousness")
- 1999 - American Inventors Protection Act (AIPA)
- 2007? Patent reforms pending



Patents

- Contract between State and Inventor: Full Disclosure of Invention for Exclusive Rights for Limited Time (20 years)
- Disclosure permits incremental innovation, design around, avoids duplication of research
- Must meet basic requirements: novelty, non-obviousness, and utility
- Broad subject matter— “anything under the sun created by man”
- Permits limited exceptions



Trademarks

- Indicate source of origin of goods or services
- Protects consumers from confusion in marketplace
- Protects businesses from unfair competition
- Prevents unjust enrichment of counterfeiters



Trademarks “used in connection with” a good or service

- Coca-Cola is a trademark for soft drinks.
- Nike is a trademark for athletic shoes and clothing.
- Marlboro is a trademark for cigarettes.
- CNN is a service mark for television news.
- Hyatt is a trademark for hotel services.



Trademarks

- A word, phrase, symbol or design, or a combination of words, phrases, symbols or designs that identifies and distinguishes the source of the goods or services of one party from those of others.
- Even colors, smells and sounds may be trademarks in some countries like the US.
- Cannot create a likelihood of confusion in the minds of consuming public.



Examples of Trademarks

Coca-Cola



IBM®





Designs

- Protects shape or appearance of useful articles
- Protected by various means; minimum 10 year term of protection
 - Some countries (US, Japan, Korea) by design patent—US has a 14-year term.
 - Others (European countries) by copyright-like registration (no examination)



Trade Secret Law: Purpose

- To protect proprietary information
 - Formulae
 - Manufacturing processes
 - Business strategies
 - Business management information
 - Customer lists
 - Design concepts



Trade Secret Law

- Two fundamental concepts:
 - 1) Trade secret must be something that is used in business and which gives the owner a competitive advantage
 - 2) The owner of a trade secret must take reasonable measures to maintain its secrecy



Loss of Trade Secret

- A single “unprotected” disclosure may result in loss of trade secret
- Legal reverse engineering of a product to discover the trade secret



Copyright Law

- Protects “original” works of authorship “fixed” in a tangible medium of protection.
- Protects literary (includes software), visual, dramatic, musical, cinematographic, and choreographic works.



Copyright Protection

- Copyright protection is secured automatically upon creation (fixation).
- No publication or registration is required.



Federal Courts

- Most intellectual property matters are reserved for the federal courts.
- Supreme Court
- Court of Appeals for the Federal Circuit - CAFC, replaced the Court of Customs and Patent Appeals (CCPA)
- Other Federal Circuit courts
 - 11 numbered courts, e.g. 4th Circuit, plus D.C.
- Federal District Courts, e.g. in Alexandria (appeals from petition decisions) or D.C. (is only district court which can review BPAI decision)
- Administrative courts for registration issues.

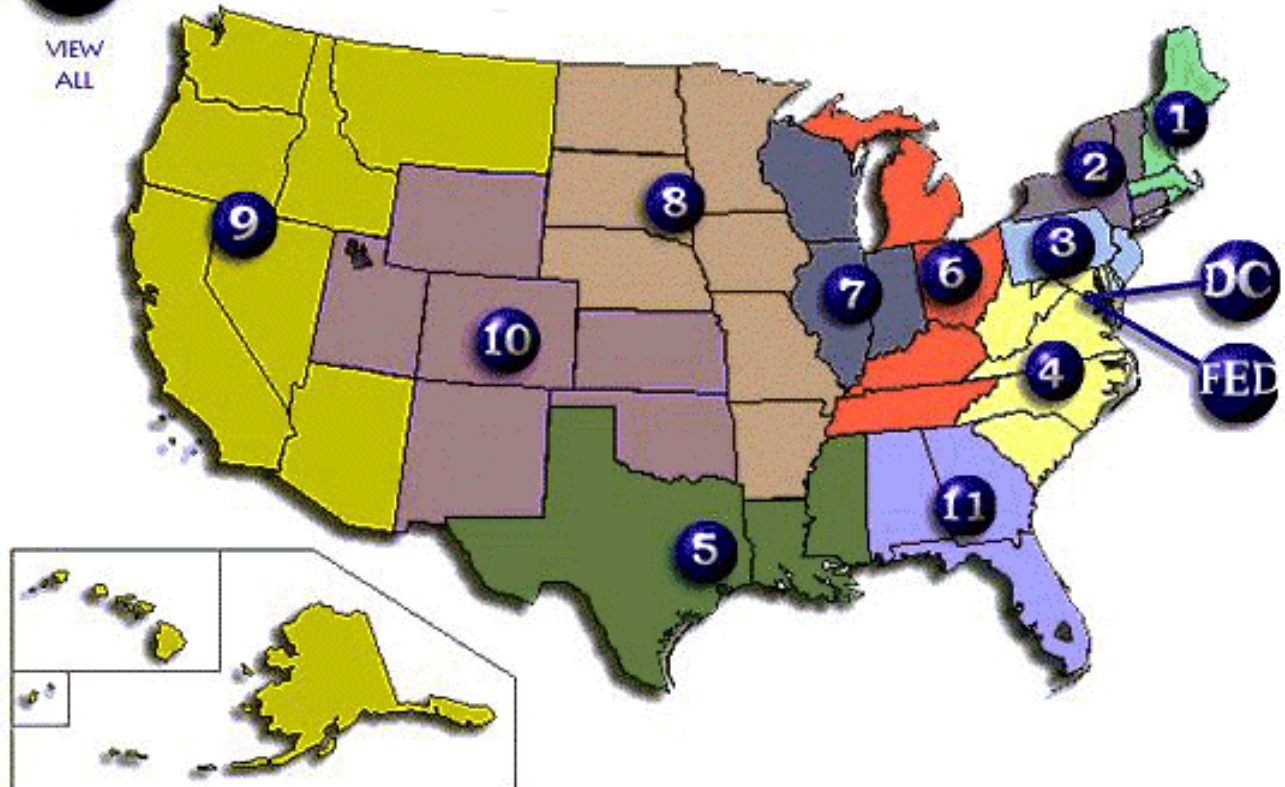


U.S. Federal Court System



VIEW
ALL

Court Links





Intellectual Property Enforcement

- Intellectual property rights are private rights of action.
- Civil action is effective because:
 - Efficient courts
 - Discovery system
 - Predictable, enforceable judgments
 - Significant penalties (including statutory damages).
- Border enforcement by Customs.
- Criminal enforcement.



Monitoring of Foreign IP Protection and Enforcement

- Key Question: Is the system adequate and effective to protect US rightsholders?
- WTO Accession—Agreement on Trade Related Aspects of Intellectual Property (“TRIPs”)
- Regular trade policy reviews for WTO Members.
- Other multilateral organizations (WIPO, APEC, etc.).
- Annual Special 301 Review.
- Trade negotiations and regular trade talks.
- Technical assistance programs.



Public Outreach

- IP Awareness Campaign
- IP Attaches
- The STOP Hotline
- Websites
- In addition to all of our regular IP customer registration assistance.



Protecting Your IP

Key points:

Most IP rights are territorial: your domestic patent or trademark registration will not protect you in countries where you export.

Because IP rights are territorial, you will have to enforce your rights under the laws of the country where the infringement occurs.

IP protection requires some advance planning so that you do not lose your rights.



Protecting Your IP

STEP (1) Identify IP

STEP (2) Secure IP

1. Confirm Ownership
2. Register/File for Protection in countries where you do business

STEP (3) Safeguard IP



Safeguarding Your IP

External Measures to Safeguard IP:

- Review market
- Monitor competitors' filings
- Maintain internal controls
- Use written contracts with 3rd parties
- Audit licensees
- Take action to enforce when necessary



Jennie Ness
Regional Intellectual Property Attaché
for Southeast Asia, U.S. Commercial Service
Jennie.ness@mail.doc.gov
<http://www.uspto.gov>

